



**MINUTES OF THE SPECIAL JOINT MEETING OF
THE CITY COUNCIL/REDEVELOPMENT AGENCY
OF THE CITY OF HAYWARD**
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, October 17, 2006, 8:00 p.m.

MEETING

The Special Joint Meeting of the City Council/Redevelopment Agency was called to order by Mayor/Chair Sweeney at 8:00 p.m., followed by the Pledge of Allegiance led by Council/RA Member Rodriquez.

ROLL CALL

Present: COUNCIL/RA MEMBERS Rodriquez, Quirk, Halliday, Ward, Dowling, Henson

MAYOR/CHAIR Sweeney
Absent: COUNCIL/RA MEMBERS None

PROCLAMATION

October 2006 as National Arts and Humanities Month

Mayor Sweeney presented Ms. Valerie Snart, representing the Hayward Arts Council, a proclamation declaring October 2006 as National Arts and Humanities Month. Ms. Snart accepted the proclamation and thanked Council for such an honor, inviting all to the Hayward Arts Council holiday and member show. Mayor Sweeney appreciated the contributions of the Arts Council.

PUBLIC COMMENTS

Juanita Gutierrez, spoke on behalf of the Eden Gardens neighborhood and asked for wide striping at intersections in areas near and in front of schools, in particular in front of Ochoa school for the safety of students. She would like them similar to those at the intersection of Industrial and Sleepy Hollow Streets. City Manager Armas indicated that staff is reviewing other intersections for wide striping.

Dolores Snell, a Hayward resident since 1964, introduced her organization, Delta Sigma Theta Sorority, Inc., noting its mission is to provide scholarships towards education and is ready to assist the Council in benefiting this community.

CONSENT

Consent Item 2 was continued to the next Council Meeting. Consent Items 4 and 5 were removed for separate vote.

1. Approval of Minutes of the City Council Meeting of October 10, 2006

DRAFT

It was moved by Council Member Ward, seconded by Council Member Dowling, and unanimously carried, to approve the minutes of the City Council Meeting of October 10, 2006 with revisions submitted by Council Member Quirk.

2. Adoption of an Ordinance Amending Chapter 10, Article 1, of the Hayward Municipal Code Relating to Tattoo Parlors

Staff report submitted by City Clerk Reyes, dated October 17, 2006, was filed.

This item was continued to the next Council agenda and the ordinance was not adopted.

Ordinance 06-__, "An Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code Relating to Tattoo Parlors"

3. Resignation of Rudell O'Neal from the Human Services Commission

Staff report submitted by City Clerk Reyes, dated October 17, 2006, was filed.

It was moved by Council Member Ward, seconded by Council Member Dowling, and unanimously carried, to adopt the following:

Resolution 06-121, "Resolution Accepting the Resignation of Rudell O'Neal from the Human Services Commission"

4. Extension of General Liability Insurance to October 2007

Staff report submitted by City Attorney O'Toole, dated October 17, 2006, was filed.

Council Member Henson asked whether there has been a savings since joining this insurance pool. It was reported that the premium has been flat since joining the insurance pool and there has been some savings.

It was moved by Council Member Henson, seconded by Council Member Halliday, and unanimously carried, to adopt the following:

Resolution 06-122, "Resolution Authorizing the Extension of the City's General Liability Insurance Coverage and Appropriation of Funds"

5. Authorization to Execute an Agreement with the State to Undertake the Route 238 Bypass Corridor Land Use Study, and Appropriate Matching Funds

Staff report submitted by Planning Manager Rizk, dated October 17, 2006, was filed.



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Council/RA Member Quirk asked whether the Caltrans property was rezoned within the South Hayward Bart Study. City Manager/Executive Director Armas referenced this to a grant of \$250,000 from the California Department of Transportation that will be used to review about 300 acres of Cal Trans land that was previously designated for the right-of-way for the 238 Bypass.

There was some property reviewed in the context of the Bart Plan. There will be some State consideration to dispose of some parts of this land to immediately improve the aesthetics of the area. There was further discussion on the land that is involved as some portions are outside the city limits. City Manager/Executive Director Armas stated that this will be on a future work session, and there will be some coordination with the State Community Development Agency and the Supervisor's Office.

Council/RA Member Ward inquired on a past market feasibility study that was done and felt that it might be irrelevant. He was informed that it is too dated. In response to another question, City Manager/Executive Director Armas agreed that there will be some environmental work in concert with the land use plan to recognize topographical conditions as some of the right-of-way is east of Mission Boulevard, near the earthquake fault. There are also steep slopes that are not appropriate for development that will be studied. In addition, some analyses will address the impacts of traffic, the geological impacts and most likely a programmed EIR will be drafted to resolve those issues.

It was moved by Council/RA Member Quirk, seconded by Council/RA Member Henson, and unanimously carried, to adopt the following:

Resolution 06-123, "Resolution Authorizing the City Manager to Apply for and Accept a Grant and Execute a Fund Transfer Agreement with the State of California for the State Route 238 Bypass Corridor Land Use Study"

Resolution 06-124, "Resolution Amending Resolution 06-080, as Amended, the Budget Resolution for Fiscal Year 2006-07, Relating to an Appropriation of Funds from the City's General Fund, Fund 100 for a Land Use Study of the Route 238 Bypass Corridor Properties"

RA Resolution 06-22, "Resolution Authorizing the Executive Director to Execute a Fund Transfer Agreement with the State of California for the State Route 238 Bypass Corridor Land Use Study"

RA Resolution 06-23, "Resolution Amending Resolution RA 06-15, as Amended, the Redevelopment Budget Resolution for Fiscal Year 2006-07, Relating to an Appropriation of Funds from the Redevelopment Tax Increment Fund, Fund 451 for a Land Use

Study of the Route 238 Bypass Corridor Properties"

HEARING

6. Introduction of an Ordinance Amending the Hayward Municipal Code Pertaining to Card Club Regulations (*continued from 10/10/06*)

Staff report submitted by Assistant City Attorney Cambra, dated October 17, 2006, was filed.

City Manager Armas reported that staff is available for questions. It was noted that new speakers will be allowed to speak.

Mayor Sweeney opened the public hearing at 8:16 p.m.

Gary Steinberger spoke in opposition to the proposed change in the card club regulations.

Laura Swan serves on the Downtown BIA and spoke in favor of the proposal, noting that the Patisserie next door would be impacted by this closure. She noted that she offered some suggestions to the owners of the card club and noted the social acceptance of them.

Doug Ligibel spoke against the proposal and noted that there are six large residential developments in the downtown whose residents would be impacted if this business continues. He is a certified rehab counselor and has dealt with individuals with gambling addiction. His primary concern is to reduce crime and violence in the downtown. He was disappointed last week that Council was ready to approve this without more community input. He also offered concerns related to parking for handicapped and the location of the card club within one hundred feet of the children's park and library.

Steve Rubiolo spoke in favor of the card club, noting that it employs 97 individuals.

William R. Huffman, Diuba Street, Union City, stated that he has been a customer of the Palace Card Club since 1968, and noted its excellent customer service. He stated that both he and his wife are customers. He spoke in favor of the transfer of the club ownership.

Ador Villaneueva resides on Taylor Avenue and has worked at the card club for a number of years.

Doug Knudson, a Hayward resident and business owner, stated that he and his family run the IHOP restaurants in the area and spoke in favor of this family run business.

Mike Safa resides in Foster City and owns several businesses in San Mateo and Belmont. He spoke in favor of the business and compared it to two other larger establishments in San Bruno and San Jose. He preferred being in a family-run business.

Chris Ray, a Lodi resident, stated that he is retired from law enforcement and has experience with gambling and card clubs. With his experience in compliance issues, he started a consulting



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firm and has worked with the owners of the Palace Card Club to develop procedure manuals in response to two oversight State agencies as well as local agencies. He reported that all owners and employees' backgrounds are checked annually.

Catherine Aganon, a Livermore resident, stated that she is the daughter of Katherine Boussard. She has been the casino's manager for over 23 years, stating that her family has had the business for over 53 years.

Edward Martin, Attorney for the Palace Card Club, stated that he was available for questions.

Larry Sullivan, an Oakland resident, spoke in favor of the Palace Card Club. He emphasized the networking that he does at the club.

Tom Oggers resides on Meekland Avenue and recently began to visit the club. He suggested the card club be moved to an area that has sufficient and secured parking.

Mayor Sweeney closed the public hearing at 8:51 p.m.

Council Member Quirk thanked everyone who participated in this discussion. He was of the opinion that additional investigation needs to be done. He agreed with Mayor Sweeney that the Council who approved this permit 25 years ago wanted to phase gambling out of the downtown. He stated that this is one establishment in the downtown. There has been no discussion as to whether gambling should be in the downtown. He noted a patron's comment related to security. Council Member Quirk moved to continue this item for further review. Mayor Sweeney seconded his motion for the purpose of discussion.

Council Member Ward offered a substitute motion to approve the staff recommendation to amend the card club regulations.

Council Member Halliday seconded his motion and appreciated all who attended. She commented favorably of the family-run business. She commented on her recent experience at the card club and was impressed by Ms. Boussard's dedication to support her family by running this business. She understood that gambling can be addictive and noted that alcohol can also be addictive. She also commented on the number of individuals who would lose their jobs if the permit ceased. Later she emphasized that the only change in Council's policy on gambling is to accommodate the family of this business, noting the statement from the Chamber of Commerce.

Council Member Dowling indicated that the club was previously in another location on Mission Boulevard, but was acquired to build the parking garage. He commented favorably, noting that it is an alcohol-free establishment. He would not support this club if the Police Chief had any issues against this establishment. His vision is to see entertainment in the downtown. He noted

the work session and two hearings to discuss this issue. He encouraged staff to inform the downtown homeowner associations about downtown topics.

Council Member Henson commented favorably on the card club business that has been well-run for over fifty years. He supported the family efforts to take the compliance initiative. He also appreciated the downtown homeowners that attended the hearings. He felt assured that this approval would not be a gateway for other clubs coming into Hayward.

Council Member Rodriguez commented on the past efforts made by former Police Chief Plummer to clean up Hayward. She noted his attendance last week and that he spoke in favor of the business. She noted that this card club has been a respectable business in the downtown.

Mayor Sweeney stated that he would be voting against the substitute motion. He felt that this motion would run counter to the investments made towards the revitalization of the downtown making a safe pedestrian-oriented downtown. He felt that the intent of the Council was previously set 25 years ago. This agreement was to run the permit with the owner and the permit would lapse when the owner passed. He did not believe that it is appropriate to change what was previously decided. Mayor Sweeney also referred to the letter from Scott Raty, CEO of the Hayward Chamber of Commerce that raised some questions suggesting further study.

It was moved by Council Member Ward, seconded by Council Member Halliday, and carried to introduce this ordinance by the following roll call vote:

Intro Ordinance 06-_, "An Ordinance Amending Chapter 4, Article 3 of the Hayward Municipal Code, by the Addition of Section 4-3.16(c) Relating to the Palace Card Room Permit"

AYES: Council Members Rodriguez, Halliday, Ward,
Dowling, Henson
NOES: Council Members Quirk
MAYOR Sweeney
ABSENT: None
ABSTAINED: None

COUNCIL REPORTS

Council Member Quirk noted that the California Library Association has awarded former Library Director Marilyn Baker-Madsen and her husband Carl Baker-Madsen, for their individual contributions to libraries.

Council Member Quirk reported his experience, at a Muslim school at the end of Ramadan. He noted that Council Member Halliday also joined in that experience in learning about this culture.



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ADJOURNMENT

Mayor Sweeney adjourned the meeting at 9:16 p.m.

APPROVED:

Michael Sweeney, Mayor, City of Hayward
Chair, Redevelopment Agency

ATTEST:

Angelina Reyes, City Clerk, City of Hayward
Secretary, Redevelopment Agency